

GENERAL INSURANCE IN JAPAN

FACT BOOK



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Key Figures of General Insurance for Fiscal 2012

1 The Number of General Insurance Companies

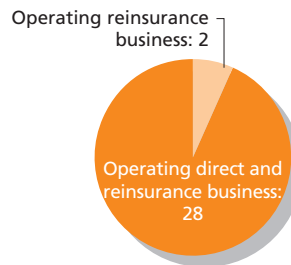
Total: **53**
 Domestic insurers: **30**
 Foreign insurers: **23**

As of July 1, 2013, a total of 53 general insurance companies were operating in Japan; a total of 30 companies were licensed as domestic insurers, including 6 foreign capital domestic insurers, while 23 companies were licensed as foreign insurers.

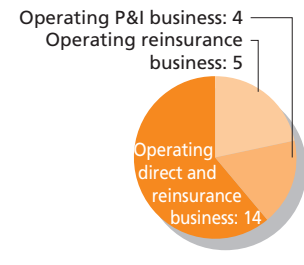
The number of people working in general insurance, including management, sales staff and temporary staff, was 102,279 as of April 1, 2013.

Domestic insurers: Licensed as domestic insurer
Domestic insurers with foreign capital: Licensed as domestic insurer which includes foreign capital of over 50%.
Foreign insurer: Licensed on a branch or agent basis

Domestic insurers



Foreign insurers



2 The Number of Agencies and Sales Staff of Agencies

Agencies
 (at the end of fiscal 2012):
194,701

Agency sales staff
 (at the end of fiscal 2012):
2,094,250

The number of agencies decreased by 1.2%, and the number of sales staff also decreased by 2.1%.

There were 194,701 general insurance agencies of domestic and foreign general insurers and 2,094,250 sales staffs were engaged in the agency business at the end of fiscal 2012.

These agencies shared 92.0% of the written direct premiums in fiscal 2012.

The number of agencies



The number of agency sales staff



General insurance agency: A general insurance agency is commissioned by an insurance company, and markets insurance products to customers.

3 Premiums

Direct premiums:

8,192.3 billion yen

Net premiums:

7,371.8 billion yen

Direct premiums: gross direct premiums (including the savings portion of maturity-refund type insurance premiums) – various returns other than maturity refunds (including return premiums for cancellation, no claim returns, and return premiums resulting from the decrease of insurable risks)

Net premiums: direct premiums written + inward reinsurance net premiums – outward reinsurance net premiums – savings portion of maturity-refund type insurance premiums

The total of direct premiums, including the savings portion thereof, written in fiscal 2012 was 8,192.3 billion yen, up 2.5%. The total of net premiums written was 7,371.8 billion yen, up 3.6% (The figures are the totals for GIAJ member companies.).

Direct premiums



Net premiums



4 The Amount of Claims Paid

Net claims paid:

4,774.9 billion yen

Net claims: direct claims paid + inward reinsurance net claims paid – outward reinsurance claims received

Net claims paid on all classes of insurance during fiscal 2012 amounted to 4,774.9 billion yen, a drastic decrease of 13.3% compared with the previous term which included massive payments for the Great East Japan Earthquake (The figures are the totals for GIAJ member companies.).

Net claims paid



5 Assets and Investments

Total assets:

28,459.8 billion yen

Working assets:

25,552.6 billion yen

Total assets: Total assets are the total of working assets and other assets (such as amounts due from the agency business, amounts due from other domestic insurance companies for reinsurance, etc.)

Working assets: Working assets include deposits, call loans, monetary receivables bought, money trusts, securities, loans, real estate, etc.

Total assets increased 1.7% to 28,459.8 billion yen, following the recovery of Japanese stock market and reflecting upgrades of possessing foreign security due to yen depreciation. Working assets also increased to 25,552.6 billion yen, up 2.8% (The figures are the totals for GIAJ member companies.).

Total assets



Working assets



6 Ordinary Profits and Net Profits for the Current Year

Ordinary profits:

377.8 billion yen

Net profits:

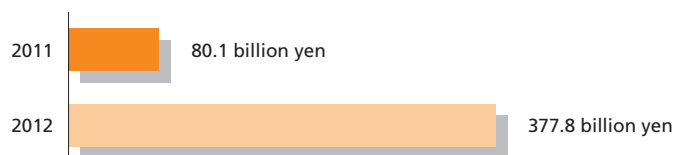
167.1 billion yen

Ordinary profit: The total of (underwriting income – expenses) + (investment income – expenses) – (other ordinary expenses)

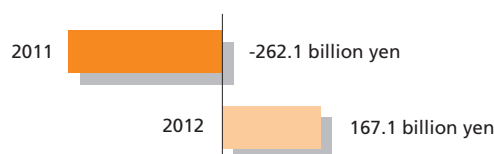
Net profit: The total of ordinary profits including special profits or losses minus corporate income taxes, corporate resident taxes, etc.

Ordinary profits for fiscal 2012 increased to 377.8 billion yen, due to the significant decreasing of the underwriting deficit and the increasing asset gain. Net profits after tax also recovered to 167.1 billion yen from negative earnings in the previous fiscal year (The figures are the totals for GIAJ member companies.).

Ordinary profits



Net profits



7 Loss Ratio and Operating Expenses Ratio

Loss ratio:

70.4%

Operating expenses ratio:

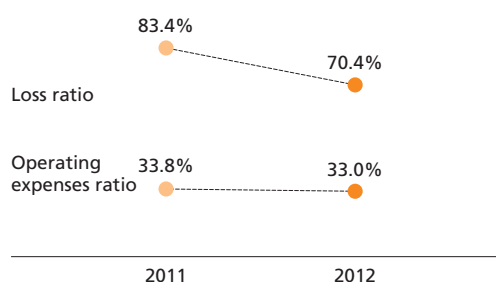
33.0%

Loss ratio: The ratio of claims paid plus loss adjustment expenses to net premiums written

Operating expenses ratio: The ratio of agency commission and brokerage plus operating and general administrative expenses on underwriting to net premiums written

The loss ratio decreased by 13.0% to 70.4% due to decreased insurance payments for earthquake insurance on dwelling risks. The operating expenses ratio decreased by 0.8% to 33.0% in fiscal 2012 (The figures are the totals for GIAJ member companies.).

Loss ratio / Operating expenses ratio



8 Ownership of General Insurance Policies

Earthquake: **27.1%**
(at the end of fiscal 2012)

Voluntary Automobile
(bodily injury liability):

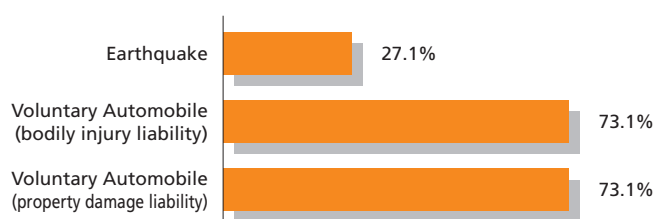
73.1%
(at the end of fiscal 2011)

Voluntary Automobile
(property damage liability):

73.1%
(at the end of fiscal 2011)

Ownership of Earthquake Insurance on Dwelling Risks, which represents the ratio of the number of earthquake insurance policies to the number of households on the Basic Resident Register in Japan, increased to 27.1% at the end of fiscal 2012.

Ownership by line



Ownership of Earthquake Insurance on Dwelling Risks Policies

Fiscal Year	2008	2009	2010	2011	2012
National Average	22.4%	23.0%	23.7%	26.0%	27.1%

Source: The Non-Life Insurance Rating Organization of Japan.

Ownership of Voluntary Automobile Insurance

Fiscal Year	2007	2008	2009	2010	2011
Number of Registered Automobiles (thousand)	79,080	78,800	78,693	78,661	79,113
Bodily Injury Liability	72.2%	72.8%	73.0%	73.4%	73.1%
Property Damage Liability	72.2%	72.8%	73.1%	73.4%	73.1%
Passengers' Personal Accident	58.6%	58.3%	57.7%	50.3%	45.1%
Physical Damage	39.5%	40.3%	41.2%	41.8%	42.1%

Source: The Non-Life Insurance Rating Organization of Japan.



Statistics

(Note) The figures are the totals for GIAJ member companies.

1. Income Statement

(in billions of yen & %)

Item	Fiscal 2011		Fiscal 2012	
	Amount	Growth	Amount	Growth
Ordinary Profit and Loss				
Underwriting Income	9,381.1	9.6	8,782.9	-6.4
Net Premiums Written	7,116.1	2.1	7,371.8	3.6
Savings Portion of Maturity-refund type Insurance Premiums	576.0	0.6	509.1	-11.6
Underwriting Expenses	8,498.6	12.6	7,686.5	-9.6
Net Claims Paid	5,505.8	27.5	4,774.9	-13.3
Loss Adjustment Expenses	432.0	12.4	416.0	-3.7
Agency Commissions and Brokerage	1,239.8	1.6	1,287.4	3.8
Maturity Refunds to Policyholders	1,067.6	-13.6	1,119.3	4.8
Net Provision for / Net Reversal of Outstanding Loss Reserves	71.7	-76.8	-102.6	-243.0
Net Provision for / Net Reversal of Underwriting Reserves	-1,305.7	—	-498.7	—
Investment Income	648.6	-1.2	664.5	2.4
Interest and Dividend Income	477.3	-6.7	464.9	-2.6
Profits on Sales of Securities	333.7	11.4	337.8	1.3
Investment Expenses	231.3	32.1	155.0	-33.0
Losses on Sales of Securities	93.8	97.8	37.0	-60.6
Losses on Revaluation of Securities	84.1	60.7	74.0	-12.0
Operating and General Administrative Expenses	1,229.9	-2.8	1,207.7	-1.8
Operating and General Administrative Expenses on Underwriting	1,162.7	-2.5	1,146.6	-1.4
Other Ordinary Profits and Losses	10.2	144.2	-20.4	-299.8
Ordinary Profits	80.1	-65.8	377.8	371.5
Underwriting Profits	-339.1	—	-54.9	—
Special Profits and Losses Balance	-49.7	—	-95.6	—
Profits for the Current Year before Corporate Taxes	30.5	-81.7	282.2	826.4
Corporate Income Taxes and Corporate Resident Taxes	61.7	40.3	36.9	-40.2
Adjustments in Corporate Income Taxes, etc.	230.8	—	78.1	-66.1
Total Income Taxes	292.5	658.8	115.0	-60.7
Net Profits for the Current Year	-262.1	-305.6	167.1	—

2. Abridged Balance Sheet

<Assets>

(in billions of yen & %)

Item	Fiscal 2011		Fiscal 2012	
	Amount	Share	Amount	Share
Deposits	914.6	3.3	928.8	3.3
Call Loans	380.1	1.4	427.8	1.5
Receivables under Resales Agreements	407.1	1.4	428.9	1.5
Receivables under Securities Borrowing Transactions	—	—	11.3	0.0
Monetary Receivables Bought	674.1	2.4	271.9	1.0
Money Trusts	58.1	0.2	91.4	0.3
Securities	19,435.0	69.4	20,590.5	72.3
National Government Bonds	5,776.9	20.6	6,196.1	21.8
Local Government Bonds	392.4	1.4	349.3	1.2
Corporate Bonds	2,920.0	10.4	2,670.8	9.4
Stocks	5,724.2	20.5	6,348.4	22.3
Foreign Securities	4,323.5	15.4	4,753.4	16.7
Other Securities	298.1	1.1	272.5	0.9
Loans	1,921.9	6.9	1,758.9	6.2
Real Estate	1,074.9	3.8	1,042.9	3.7
Total Working Assets	24,865.8	88.8	25,552.6	89.8
Other Assets	3,130.0	11.2	2,907.2	10.2
Total Assets	27,995.8	100.0	28,459.8	100.0

(Notes) "Other Assets" is composed of 1) Cash in hand, 2) Furniture and fixtures, 3) Construction in progress, 4) Amounts due from agency business, 5) Amounts due from other domestic companies for reinsurance, 6) Customer's liability for acceptance and guarantee, 7) Deferred tax assets, and 8) Miscellaneous.

<Liabilities and Equities>

(in billions of yen & %)

Item	Fiscal 2011		Fiscal 2012	
	Amount	Share	Amount	Share
Underwriting Reserves	20,406.3	72.9	19,798.3	69.6
Outstanding Loss Reserves	3,508.9	12.5	3,399.9	12.0
Technical Provision	16,897.4	60.4	16,398.4	57.6
Other Liabilities	3,262.5	11.6	3,340.7	11.7
Total Liabilities	23,668.8	84.5	23,139.0	81.3
Capital	839.7	3.0	853.6	3.0
Suspense Receipts on Capital Subscriptions	—	—	—	—
Additional Paid in Capital	507.8	1.8	521.7	1.8
Earned Surplus	1,069.7	3.8	1,127.2	4.0
Earned Surplus Carried Forward	—	—	—	—
Treasury Stock	-6.1	-0.1	-6.0	-0.0
Unrealized Gain on Securities, Net of Income Taxes	1,882.8	6.7	2,794.8	9.8
Deferred Gains and Losses on Hedge Transactions	45.4	0.2	41.7	0.1
Land Revaluation Excess	-12.3	-0.0	-12.4	-0.0
Stock Acquisition Right	—	—	—	—
Total Equities	4,327.0	15.5	5,320.7	18.7
Total Liabilities and Equities	27,995.8	100.0	28,459.8	100.0

(Notes) "Other Liabilities" consists of 1) Amounts due to other domestic insurance companies for reinsurance, 2) Accrued taxes, 3) Convertible bonds, 4) Reserves for bad debts and for retirement allowance, 5) Acceptance and guarantee, and 6) Miscellaneous.

3. Direct Premiums by Line

Class of Business	Fiscal 2003		Fiscal 2004		Fiscal 2005		Fiscal 2006	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	1,471,055	-1.5	1,463,668	-0.5	1,486,268	1.5	1,455,136	-2.1
Maturity-refund type	390,256	-13.7	363,916	-6.7	334,870	-8.0	298,214	-10.9
Voluntary Automobile	3,553,918	-1.4	3,503,607	-1.4	3,501,836	-0.1	3,518,501	0.5
Maturity-refund type	10,183	-21.3	8,180	-19.7	7,433	-9.1	6,759	-9.1
Personal Accident	1,485,479	-5.9	1,478,874	-0.4	1,377,460	-6.9	1,293,711	-6.1
Maturity-refund type	900,915	-9.5	864,428	-4.0	737,305	-14.7	644,512	-12.6
Miscellaneous Casualty	776,931	-0.4	784,793	1.0	796,556	1.5	829,201	4.1
Maturity-refund type	12,279	-31.6	8,628	-29.7	9,448	9.5	3,487	-63.1
Burglary	20,343	-13.7	18,784	-7.7	17,875	-4.8	15,587	-12.8
Glass	1,838	-7.7	1,692	-7.9	1,504	-11.1	1,302	-13.2
Aviation	48,103	-6.3	35,738	-25.7	32,321	-9.6	30,050	-7.0
Windstorm & Flood	252	2.1	366	45.1	411	12.3	325	-20.5
Guarantee	11,026	-14.4	10,430	-5.4	10,713	2.7	11,913	11.3
Credit	30,568	-2.4	30,263	-1.0	30,102	-0.5	31,999	6.3
Workers' Accident Compensation Liability	75,685	-5.0	70,090	-7.4	69,549	-0.8	63,305	-9.0
Maturity-refund type	10,746	-15.3	6,471	-39.8	8,190	26.6	3,016	-63.2
Boiler & Turbo-set	2,528	5.6	2,412	-4.6	2,357	-2.3	2,360	0.1
Livestock	3,007	-1.3	3,204	6.6	3,182	-0.7	3,541	11.3
General Liability	356,603	6.6	382,224	7.2	401,330	5.0	436,922	8.9
Machinery & Erection	32,261	-4.4	32,665	1.3	34,583	5.9	35,905	3.8
Shipowners' Liability for Passengers' Personal Accident	814	-3.3	759	-6.7	781	2.9	722	-7.2
Contractors' All Risks	34,450	0.2	36,404	5.7	36,993	1.6	40,607	9.8
Atomic Energy	10,874	-1.7	10,426	-4.1	11,252	7.9	11,356	1.0
Movables Comprehensive	113,212	-5.7	107,732	-4.8	103,934	-3.5	103,073	-0.8
Maturity-refund type	305	-48.2	155	-48.9	41	-73.2	2	-94.9
Miscellaneous Pecuniary Loss	35,367	-9.1	41,596	17.6	39,663	-4.6	40,148	1.2
Maturity-refund type	1,228	-73.8	2,001	62.9	1,215	-39.2	468	-61.4
Pet	—	—	—	—	—	—	—	—
Marine and Inland Transit	258,862	3.1	269,166	4.0	284,759	5.8	303,734	6.7
Marine Hull	59,136	2.0	58,680	-0.8	62,747	6.9	68,359	9.0
Marine Cargo	134,959	3.5	143,754	6.5	154,022	7.1	166,997	8.4
Inland Transit	64,767	3.1	66,731	3.0	67,989	1.9	68,369	0.6
Subtotal	7,546,244	-2.1	7,500,110	-1.1	7,446,881	-0.7	7,400,330	-0.6
Compulsory Automobile Liability	1,201,820	0.9	1,189,010	-1.1	1,144,548	-3.7	1,128,961	-1.4
Grand total	8,748,064	-1.7	8,689,120	-0.7	8,591,430	-1.1	8,529,291	-0.7
Maturity-refund type	1,313,633	-11.1	1,245,154	-5.2	1,089,058	-12.5	952,972	-12.5

(Notes) 1. Figures include direct premiums written abroad.

2. Direct Premiums Written = Gross Direct Premiums (including the Savings Portion of Maturity-refund type Insurance return premiums resulting from the decrease of insurable risks)

(in millions of yen & %)

Fiscal 2007		Fiscal 2008		Fiscal 2009		Fiscal 2010		Fiscal 2011		Fiscal 2012	
Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
1,402,341	-3.6	1,402,328	-0.0	1,398,189	-0.3	1,315,875	-5.9	1,377,306	4.7	1,413,374	2.6
271,036	-9.1	253,328	-6.5	244,666	-3.4	213,204	-12.9	201,925	-5.3	179,301	-11.2
3,495,243	-0.7	3,447,541	-1.4	3,413,500	-1.0	3,431,368	0.5	3,476,089	1.3	3,592,707	3.4
6,064	-10.3	5,295	-12.7	2,823	-46.7	1,001	-64.5	106	-89.4	—	—
1,205,443	-6.8	1,109,850	-7.9	1,025,566	-7.6	1,040,314	1.4	1,067,749	2.6	1,029,505	-3.6
559,501	-13.2	471,663	-15.7	390,755	-17.2	396,559	1.5	409,703	3.3	362,265	-11.6
828,219	-0.1	853,364	3.0	892,174	4.5	896,566	0.5	922,273	2.9	964,808	4.6
3,846	10.3	1,417	-63.2	489	-65.5	424	-13.3	765	80.4	250	-67.3
13,714	-12.0	12,915	-5.8	11,196	-13.3	10,286	-8.1	9,856	-4.2	9,283	-5.8
1,222	-6.1	1,045	-14.5	915	-12.4	820	-10.4	791	-3.5	758	-4.2
28,007	-6.8	23,654	-15.5	20,700	-12.5	19,503	-5.8	16,845	-13.6	14,506	-13.9
233	-28.3	260	11.6	197	-24.2	68	-65.5	58	-14.7	58	0.0
11,511	-3.4	12,060	4.8	10,908	-9.6	10,343	-5.2	10,600	2.5	11,622	9.6
33,879	5.9	38,928	14.9	39,306	1.0	35,754	-9.0	34,973	-2.2	33,165	-5.2
62,747	-0.9	58,363	-7.0	53,450	-8.4	48,866	-8.6	48,510	-0.7	57,296	18.1
3,585	18.9	1,284	-64.2	152	-88.2	-24	-115.8	15	—	8	-46.7
2,351	-0.4	2,278	-3.1	2,368	4.0	2,333	-1.5	2,295	-1.6	2,381	3.7
3,570	0.8	3,303	-7.5	2,940	-11.0	2,926	-0.5	3,102	6.0	3,089	-0.4
438,674	0.4	440,181	0.3	474,757	7.9	474,877	0.0	476,378	0.3	489,241	2.7
35,540	-1.0	34,325	-3.4	32,317	-5.8	31,273	-3.2	30,661	-2.0	30,976	1.0
743	2.9	733	-1.3	709	-3.3	644	-9.2	639	-0.8	609	-4.7
41,079	1.2	40,792	-0.7	36,231	-11.2	32,121	-11.3	36,346	13.2	39,923	9.8
11,007	-3.1	10,301	-6.4	10,747	4.3	10,088	-6.1	8,602	-14.7	5,761	-33.0
100,030	-3.0	95,327	-4.7	86,359	-9.4	82,254	-4.8	82,485	0.3	81,276	-1.5
0	-100.0	0	—	—	—	—	—	—	—	—	—
43,816	9.1	72,368	65.2	100,000	38.2	123,467	23.5	143,187	16.0	164,719	15.0
257	-45.1	134	-47.9	334	149.3	447	33.8	748	67.3	240	-67.9
—	—	6,441	—	8,980	39.4	10,858	20.9	16,872	55.4	20,065	18.9
317,485	4.5	298,629	-5.9	248,395	-16.8	257,315	3.6	257,085	-0.1	261,031	1.5
72,617	6.2	73,110	0.7	73,405	0.4	71,408	-2.7	71,528	0.2	75,795	6.0
175,170	4.9	156,343	-10.7	112,392	-28.1	125,113	11.3	123,325	-1.4	122,073	-1.0
69,690	1.9	69,167	-0.8	62,590	-9.5	60,790	-2.9	62,225	2.4	63,159	1.5
7,248,776	-2.0	7,111,754	-1.9	6,977,872	-1.9	6,941,482	-0.5	7,100,544	2.3	7,261,468	2.3
1,041,570	-7.7	868,362	-16.6	805,834	-7.2	806,334	0.1	891,712	10.6	930,807	4.4
8,290,346	-2.8	7,980,116	-3.7	7,783,706	-2.5	7,747,816	-0.5	7,992,256	3.2	8,192,275	2.5
840,447	-11.8	731,703	-12.9	638,733	-12.7	611,188	-4.3	612,499	0.2	541,816	-11.5

Premiums) - Various Returns other than Maturity Refunds (including return premiums for cancellation, no-claim returns, and

4. Net Premiums by Line

(in millions of yen & %)

Class of Business	Fiscal 2003		Fiscal 2004		Fiscal 2005		Fiscal 2006		Fiscal 2007	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	1,044,867	1.4	1,030,154	-1.4	1,080,722	4.9	1,085,433	0.4	1,055,422	-2.8
Voluntary Automobile	3,558,174	-1.5	3,507,923	-1.4	3,507,502	0.0	3,525,092	0.5	3,502,621	-0.6
Personal Accident	631,012	-0.9	649,832	3.0	666,360	2.5	669,354	0.4	659,263	-1.5
Miscellaneous Casualty	766,194	0.7	779,402	1.7	803,847	3.1	832,604	3.6	828,328	-0.5
Marine and Inland Transit	241,279	3.4	252,668	4.7	270,257	7.0	288,652	6.8	299,379	3.7
Marine Hull	44,709	1.5	44,504	-0.5	47,909	7.7	52,668	9.9	55,281	5.0
Marine Cargo	136,367	4.3	146,003	7.1	158,657	8.7	171,672	8.2	178,192	3.8
Inland Transit	60,190	2.7	62,151	3.3	63,685	2.5	64,304	1.0	65,900	2.5
Subtotal	6,241,589	-0.5	6,220,035	-0.3	6,328,735	1.7	6,401,188	1.1	6,345,070	-0.9
Compulsory Automobile Liability	1,195,639	18.2	1,191,923	-0.3	1,156,706	-3.0	1,135,988	-1.8	1,124,977	-1.0
Grand total	7,437,228	2.1	7,411,958	-0.3	7,485,441	1.0	7,537,176	0.7	7,470,047	-0.9

(in millions of yen & %)

Class of Business	Fiscal 2008		Fiscal 2009		Fiscal 2010		Fiscal 2011		Fiscal 2012	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	1,065,231	0.9	1,054,132	-1.0	1,007,338	-4.4	1,032,508	2.5	1,071,890	3.8
Voluntary Automobile	3,456,548	-1.3	3,426,637	-0.9	3,456,389	0.9	3,501,458	1.3	3,614,716	3.2
Personal Accident	647,178	-1.8	639,568	-1.2	647,717	1.3	661,840	2.2	678,049	2.4
Miscellaneous Casualty	834,096	0.7	826,385	-0.9	818,851	-0.9	826,369	0.9	854,719	3.4
Marine and Inland Transit	275,559	-8.0	224,793	-18.4	232,396	3.4	231,868	-0.2	233,739	0.8
Marine Hull	55,211	-0.1	56,898	3.1	55,306	-2.8	56,114	1.5	58,411	4.1
Marine Cargo	154,666	-13.2	108,724	-29.7	119,774	10.2	117,610	-1.8	116,728	-0.7
Inland Transit	65,672	-0.3	59,162	-9.9	57,310	-3.1	58,138	1.4	58,592	0.8
Subtotal	6,278,665	-1.0	6,171,571	-1.7	6,162,740	-0.1	6,254,095	1.5	6,453,161	3.2
Compulsory Automobile Liability	883,171	-21.5	799,543	-9.5	808,254	1.1	862,038	6.7	918,644	6.6
Grand total	7,161,836	-4.1	6,971,114	-2.7	6,970,994	-0.0	7,116,133	2.1	7,371,805	3.6

(Note) Net Premiums Written = Direct Premiums Written + Inward Reinsurance Net Premiums – Outward Reinsurance Net Premiums – Savings Portion of Maturity-refund type Insurance Premiums

5. Direct Claims Paid by Line

(in millions of yen & %)

Class of Business	Fiscal 2003		Fiscal 2004		Fiscal 2005		Fiscal 2006		Fiscal 2007	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	310,507	6.5	853,409	174.8	476,474	-44.2	464,711	-2.5	397,528	-14.5
Voluntary Automobile	2,017,372	-1.2	2,092,717	3.7	2,079,897	-0.6	2,109,383	1.4	2,147,724	1.8
Compulsory Automobile Liability	915,683	1.3	879,610	-3.9	856,479	-2.6	818,613	-4.4	824,032	0.7
Personal Accident	250,299	-2.3	243,492	-2.7	259,012	6.4	287,596	11.0	323,470	12.5
Miscellaneous Casualty	417,692	-0.6	457,285	9.5	408,078	-10.8	437,185	7.1	445,340	1.9
Marine and Inland Transit	143,435	18.2	129,314	-9.8	131,799	1.9	139,522	5.9	140,303	0.6
Total	4,054,991	0.5	4,655,831	14.8	4,211,742	-9.5	4,257,055	1.1	4,278,443	0.5

(in millions of yen & %)

Class of Business	Fiscal 2008		Fiscal 2009		Fiscal 2010		Fiscal 2011		Fiscal 2012	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	397,948	0.1	374,606	-5.9	356,898	-4.7	2,296,870	543.6	924,702	-59.7
Voluntary Automobile	2,155,859	0.4	2,176,101	0.9	2,216,405	1.9	2,234,001	0.8	2,213,972	-0.9
Compulsory Automobile Liability	807,692	-2.0	795,450	-1.5	791,484	-0.5	801,485	1.3	796,363	-0.6
Personal Accident	343,003	6.0	350,805	2.3	348,137	-0.8	348,257	0.0	347,645	-0.2
Miscellaneous Casualty	530,498	19.1	519,920	-2.0	467,655	-10.1	488,831	4.5	491,890	0.6
Marine and Inland Transit	143,656	2.4	136,628	-4.9	129,466	-0.1	161,915	25.1	143,591	-11.3
Total	4,378,697	2.3	4,353,561	-0.6	4,310,089	-1.0	6,331,400	46.9	4,918,204	-22.3

6. Direct Premiums of Foreign General Insurers

(in millions of yen and %)

Class of Business	Fiscal 2001		Fiscal 2002		Fiscal 2003		Fiscal 2004	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	30,560	0.9	33,133	8.4	39,662	19.7	42,638	7.5
Voluntary Automobile	110,405	6.1	113,364	2.7	114,728	1.2	115,903	1.0
Personal Accident	144,959	6.4	153,093	5.6	152,073	-0.7	151,870	-0.1
Miscellaneous Casualty	40,023	-9.0	41,162	2.8	39,426	-4.2	37,768	-4.2
Marine and Inland Transit	6,830	-7.2	7,470	9.4	7,284	-2.5	7,371	1.2
Compulsory Automobile Liability	6,541	-0.6	7,786	19.0	7,534	-3.2	6,976	-7.4
Total	339,318	3.3	356,008	4.9	360,707	1.3	362,526	0.5

Class of Business	Fiscal 2005		Fiscal 2006		Fiscal 2007		Fiscal 2008	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	46,973	10.2	48,885	4.1	51,298	4.9	51,003	-0.6
Voluntary Automobile	117,084	1.0	116,107	-0.8	115,108	-0.9	110,731	-3.8
Personal Accident	169,763	11.8	168,475	-0.8	159,234	-5.5	149,981	-5.8
Miscellaneous Casualty	41,624	10.2	57,554	38.3	71,614	24.4	75,923	6.0
Marine and Inland Transit	7,814	6.0	8,547	9.4	8,942	4.6	8,519	-4.7
Compulsory Automobile Liability	6,272	-10.1	5,943	-5.3	5,447	-8.3	3,995	-26.7
Total	389,529	7.4	405,511	4.1	411,643	1.5	400,152	-2.8

Class of Business	Fiscal 2009		Fiscal 2010		Fiscal 2011		Fiscal 2012	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	51,181	0.3	53,919	5.3	57,278	6.2	58,015	1.3
Voluntary Automobile	105,126	-5.1	102,210	-2.8	102,398	0.2	101,225	-1.1
Personal Accident	147,706	-1.5	150,730	2.0	157,331	4.4	162,125	3.0
Miscellaneous Casualty	76,332	0.5	78,346	2.6	76,354	-2.5	84,025	10.0
Marine and Inland Transit	6,854	-19.5	7,027	2.5	7,057	0.4	7,765	10.0
Compulsory Automobile Liability	3,703	-7.3	3,462	-6.5	3,487	0.7	3,170	-9.1
Total	390,902	-2.3	395,694	1.2	403,904	2.1	416,324	3.1

(Notes) The figures above do not include those of foreign-capitalized domestic general insurers and foreign general insurers which are not members of the Foreign Non-Life Insurance Association of Japan.

7. General Insurance Business of Overseas Consolidated Subsidiaries

Net Premium of Overseas Consolidated Subsidiaries

(in millions of yen & %)

	Fiscal 2009		Fiscal 2010		Fiscal 2011		Fiscal 2012	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Direct Insurers	461,005	—	453,387	-1.7	458,793	1.2	600,162	30.8
The Americas	279,928	—	268,479	-4.1	261,008	-2.8	343,903	31.8
Europe/ Middle East/ Africa	83,858	—	73,209	-12.7	61,668	-15.8	85,929	39.3
Asia/ Oceania	97,219	—	111,699	14.9	136,117	21.9	170,330	25.1
(Specialized) Reinsurers	185,340	—	173,689	-6.3	183,151	5.4	230,665	25.9
Total	646,352	—	627,080	-3.0	641,948	2.4	830,834	29.4

Net Claims Paid by Overseas Consolidated Subsidiaries

(in millions of yen & %)

	Fiscal 2009		Fiscal 2010		Fiscal 2011		Fiscal 2012	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Direct Insurers	265,841	—	233,585	-12.1	261,683	12.0	294,947	12.7
The Americas	125,570	—	123,535	-1.6	135,464	9.7	155,760	15.0
Europe/ Middle East/ Africa	90,591	—	56,700	-37.4	59,923	5.7	50,287	-16.1
Asia/ Oceania	49,680	—	53,350	7.4	66,296	24.3	88,900	34.1
(Specialized) Reinsurers	68,300	—	63,325	-7.3	99,975	57.9	167,101	67.1
Total	334,145	—	296,914	-11.1	361,662	21.8	462,054	27.8

(Notes) These figures show summation data of overseas consolidated subsidiaries whose parent companies are Japanese insurers or Japanese insurance holding companies. Offsetting internal transactions are not taken into consideration.

8. International Reinsurance Business

Outward Reinsurance Balance

(in billions of yen)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Premiums (paid)	255.7	244.1	248.4	290.7	292.5	294.6	327.2	315.7	358.2	457.8
Claims (received)	123.5	242.1	162.7	118.2	125.8	149.8	147.6	141.4	475.5	421.0
Balance	-132.2	-2.0	-85.7	-172.5	-166.7	-144.7	-179.5	-174.3	117.3	-36.8

(Notes) Claims (received) include reinsurance commission.

Inward Reinsurance Balance

(in billions of yen)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Premiums (received)	225.1	195.4	212.7	240.8	230.3	211.2	183.1	201.0	207.3	268.7
Claims (paid)	279.4	212.6	227.3	225.8	229.2	195.6	191.0	194.9	244.8	320.6
Balance	-54.3	-17.2	-14.6	15.0	1.1	15.6	-7.9	6.1	-37.5	-51.9

(Notes) Claims (paid) include reinsurance commission.

9. Japanese Insurers' Offices Abroad (as of April 1 each year)

Number of Japanese Insurers Conducting Foreign Business Through Overseas Offices (Note 1)

	2003	2004	2005
Number of Insurance Companies Operating Overseas	11	11	9

Number of Countries / Regions (Note 2)

	2003	2004	2005
Number of Regions Where Insurance Companies Operating Overseas	47	49	44

Number of Japanese Insurers' Offices Abroad

	2003	2004	2005
Number of Japanese Insurers' Offices Abroad	210	202	195

Liaison Offices

	2003	2004	2005
Number of Japanese Insurers with Liaison Offices	11	11	10
Number of Countries / Regions	46	46	42
Number of Cities	82	81	77
Number of Offices	178	178	171

- (Notes)
1. Figures represent the number of Japanese insurers conducting foreign business by type of overseas offices, and include cases same region.
 2. Figures represent the number of countries or regions where Japanese insurers conduct foreign business through overseas offices.

2006	2007	2008	2009	2010	2011	2012	2013
10	10	10	9	9	8	8	7

2006	2007	2008	2009	2010	2011	2012	2013
45	45	44	51	50	50	47	46

2006	2007	2008	2009	2010	2011	2012	2013
213	218	220	285	206	196	194	198

2006	2007	2008	2009	2010	2011	2012	2013
10	10	10	10	10	7	7	7
43	43	43	44	41	42	41	40
78	77	79	81	78	79	79	79
175	172	174	179	174	172	175	183

where a Japanese insurer conducts its business through both overseas subsidiaries and branches/agents of its home country head office in the

10. International Comparison of General Insurance Premium Volume (2011)

Country (Region)	Gross Direct Premiums			Gross Direct Premiums GDP		Per Capita Premiums	
	(in millions of USD)	Rank	Share (%)	(%)	Rank	(USD)	Rank
United States	667,107	1	33.89	4.5	5	2,130	4
Germany	131,292	2	6.67	3.6	8	1,578	11
Japan	130,741	3	6.64	2.2	28	1,031	19
United Kingdom	109,486	4	5.56	3.1	13	1,188	14
France	98,359	5	5.00	3.3	9	1,403	12
PR China	87,319	6	4.44	1.2	63	64	70
Netherlands	79,722	7	4.05	9.5	1	4,777	1
Canada	69,045	8	3.51	4.0	6	2,010	6
Italy	55,426	9	2.82	2.3	25	834	23
South Korea	51,223	10	2.60	4.6	3	1,045	18
Australia	43,899	11	2.23	3.0	14	2,017	5
Russia	42,071	12	2.14	2.3	27	295	37
Spain	40,731	13	2.07	2.7	19	880	22
Brazil	37,240	14	1.89	1.5	55	189	50
Switzerland	28,494	15	1.45	4.5	4	3,591	2
Belgium	15,140	16	0.77	2.7	18	1,262	13
Taiwan	14,283	17	0.73	3.1	12	614	27
Austria	13,300	18	0.68	3.2	11	1,581	10
India	12,187	19	0.62	0.7	75	10	84
Mexico	12,149	20	0.62	1.1	66	106	61
Other regions	228,965	—	11.62	—	—	—	—
Total/Average	1,968,179	—	100.00	2.8	—	283	—

- (Notes)
1. Figures are compiled by the GIAJ based on the "Sigma No.3/2012" by Swiss Re.
 2. Total (average) figures are those total (average) figures of 147 countries/regions in 2011.
 3. Gross Direct Premiums include all premiums written by domestic and foreign companies within the country.



Outline of the General Insurance Association of Japan

1 History

Prior to the present Association's establishment in 1946, its origin can be traced back to 1917, when the Joint Fire Insurance Association of Japan was founded by domestic and foreign insurance companies operating at the time. In 1939 the Joint Association was reorganized as the Dai-Nippon Fire Insurance Association. In 1941 it was amalgamated with several marine insurance organizations, such as the Japan Marine Underwriters' Association and the Hull Insurers' Union (established in 1920 and 1927 respectively) into the former Marine and Fire Insurance Association of Japan consisting of only domestic companies as regular members. The following year, in 1942, its name and functions were

changed to the Non-Life Insurance Control Association to assist the government in the control of the industry during a chaotic economic period. Shortly after hostilities ended in September 1945, however, this Control Association was dissolved. The Marine and Fire Insurance Association of Japan was reestablished on January 18, 1946, by all the domestic non-life insurance companies. On May 1, 1948, it was reorganized as an incorporated body. On May 20, 2003, it changed its English name to the General Insurance Association of Japan (GIAJ) and is currently composed of 26 member companies (as of September 1, 2012).

2 Objective

The objective of the GIAJ is to promote sound development and maintain reliability of the general

insurance business in Japan.

3 Major Activities

a. Enhancing the dissemination and understanding of general insurance

The GIAJ provides a variety of information about general insurance for enhancing consumers understanding through the website of the GIAJ, and by sending lecturers to speech sessions.

b. Responding to consultation, complaints and disputes

The GIAJ operates the Sonpo ADR center (General insurance Counseling and ADR Center) to answer consumer inquires and carry out proceedings for complaint and dispute resolution

from a neutral, fair standpoint as a designated dispute resolution organization under the Insurance Business Law.

c. Improving the quality of insurance business administration

The GIAJ makes use of its position as a third-party organization to improve the quality of industry-wide business through advancing measures based on consumer opinions while establishing many other guidelines.

d. Maintaining and improving the business environment of general insurance

The GIAJ plays key roles in industry-wide systems, such as earthquake insurance. It also carries out research and study, and issues various requests and proposals of the general insurance industry in order to maintain and improve the business environment.

e. Preventing / reducing damage caused by accidents, disasters and crimes

The GIAJ makes efforts to reduce social losses by conducting educational activities and submitting proposals for traffic safety, and disaster and crime prevention.

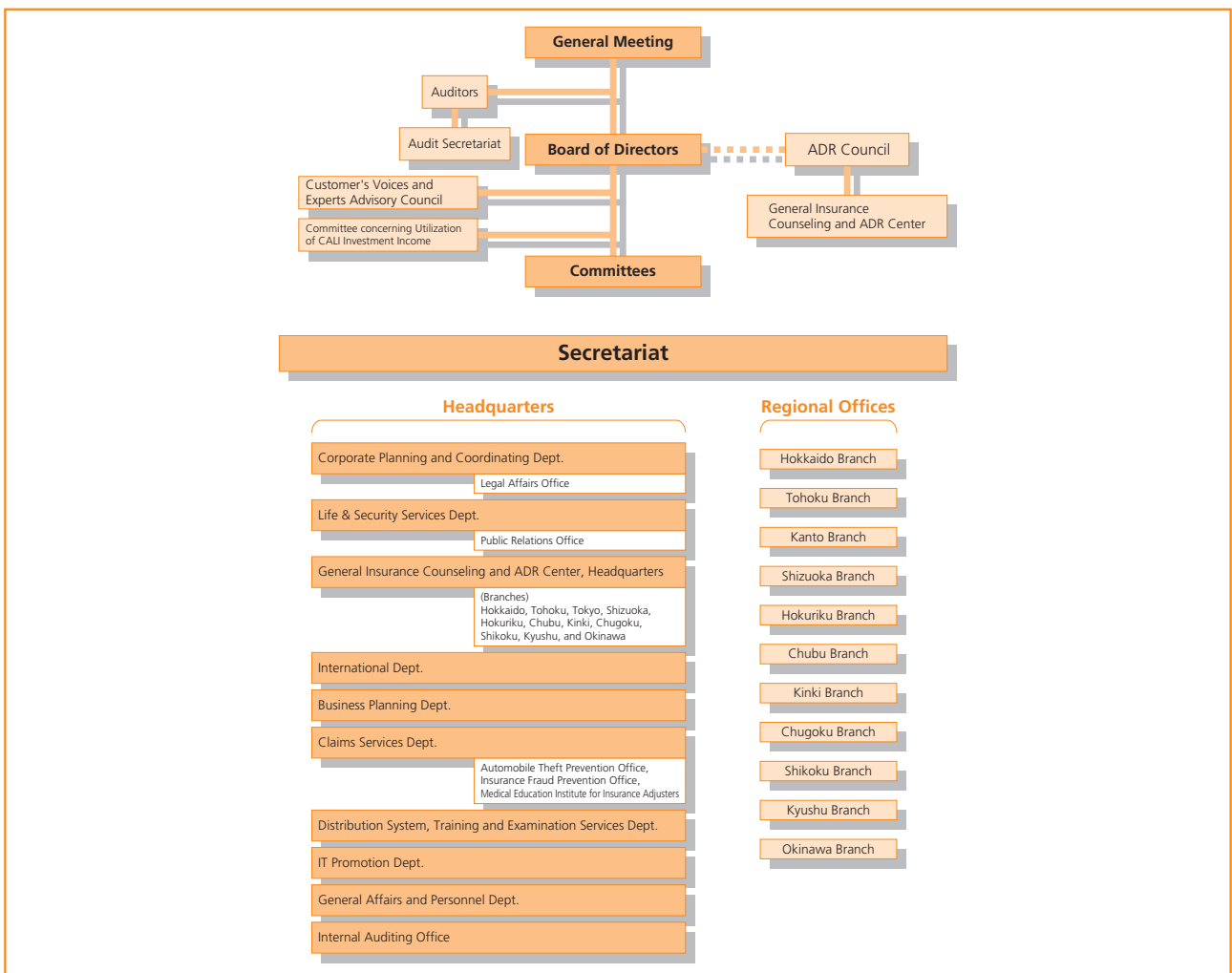
f. Education and Examinations for agents and solicitors

The GIAJ implements educational programs and the examination system in order to enhance the quality of insurance solicitation.

g. Contribution to the Global Community

The GIAJ actively participates in the International Association of Insurance Supervisors (IAIS) standard setting activities as an observer, closely monitoring and advocating multilateral and regional trade discussions, enhancing exchanges and cooperation with overseas insurance markets, and holding international seminars with participants from the East Asian region such as the Insurance School (Non-Life) of Japan (ISJ).

4 Organization (as of October 1, 2013)



IV

Directory

1

Licensed Domestic Companies (30 Companies as of July 1, 2013)

- ACE Insurance
- Aioi Nissay Dowa Insurance Co., Ltd.
- AIU Insurance Company, Ltd. (U.S.A.)
- Allianz Fire and Marine Insurance Japan Ltd.
- Anicom Insurance, Inc.
- The Asahi Fire & Marine Insurance Co., Ltd.
- au Insurance Co., Ltd.
- AXA GENERAL INSURANCE CO., Ltd.
- The Daido Fire and Marine Insurance Co., Ltd.
- E.design Insurance Co., Ltd.
- The Fuji Fire & Marine Insurance Co., Ltd.
- Hitachi Capital Insurance Corporation
- H.S. Insurance Co., Ltd.
- ipet Insurance CO., Ltd.
- Japan Earthquake Reinsurance Co., Ltd.
- JI Accident & Fire Insurance Co., Ltd.
- The Kyoei Fire & Marine Insurance Co., Ltd.
- Meiji Yasuda General Insurance Co., Ltd.
- Mitsui Direct General Insurance Co., Ltd.
- Mitsui Sumitomo Insurance Co., Ltd.
- NIPPONKOA Insurance Co., Ltd.
- Nisshin Fire & Marine Insurance Co., Ltd.
- SAISON Automobile and Fire Insurance Co., Ltd.
- SBI Insurance Co., Ltd.
- SECOM General Insurance Co., Ltd.
- Sompo Japan Insurance Inc.
- Sonpo 24 Insurance Co., Ltd.
- Sony Assurance Inc.
- The Toa Reinsurance Co., Ltd.
- Tokio Marine & Nichido Fire Insurance Co., Ltd.

(● represents the GIAJ member companies.)

2 Licensed Foreign Companies (23 Companies as of July 1, 2013)

- American Home Assurance Company (U.S.A.)
- Assicurazioni Generali S.p.A. (Italy)
- Assuranceforeningen GARD - gjensidig (Norway)
- Atradius Credit Insurance N.V. (Netherlands)
- The Britannia Steam Ship Insurance Association Ltd. (U.K.)
- CARDIF-Assurances Risques Divers (France)
- Coface Japan (Compagnie Française d'Assurance pour le Commerce Extérieur / France)
- Euler Hermes Deutschland AG (Germany)
- Federal Insurance Company (U.S.A.)
- General Reinsurance AG (Germany)
- HDI-Gerling Industrie Versicherung AG (Germany)
- Hyundai Marine & Fire Insurance Co., Ltd. (Korea)
- Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen (Germany)
- The New India Assurance Company Ltd. (India)
- The North of England Protecting and Indemnity Association Limited (U.K.)
- RGA Reinsurance Company (U.S.A.)
- The Society of Lloyd's (U.K.) [Lloyd's Japan Inc.]
- Starr Indemnity & Liability Company (U.S.A.)
- Swiss Reinsurance Company Ltd (Switzerland)
- Swiss Re International SE (Luxembourg)
- Transatlantic Reinsurance Company (U.S.A.)
- The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Ltd. (Bermuda)
- Zurich Insurance Company Ltd (Switzerland)

(The above companies are not GIAJ members.)

3 General Insurance Organizations (as of July 1, 2013)

- General Insurance Rating Organization of Japan
- Japan Atomic Energy Insurance Pool
- The Non-Life Insurance Institute of Japan
- The Foreign Non-Life Insurance Association of Japan, Inc.
- Non-Life Insurance Policyholders Protection Corporation of Japan
- Independent Insurance Agents of Japan, Inc.
- The Small Amount & Short Term Insurance Association of Japan
- Japan Insurance Brokers Association

– To preserve our irreplaceable environment and ensure safety –

The General Insurance Association of Japan has obtained the ISO 14001 Certificate.

**INTERNATIONAL DEPARTMENT
THE GENERAL INSURANCE ASSOCIATION OF JAPAN**

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